

**COMMONWEALTH OF VIRGINIA  
VIRGINIA EMPLOYMENT COMMISSION**

<b>Policy Number:</b> 02-04
<b>Effective Date:</b> January 1, 2003
<b>Revision #:</b>
<b>Revision Date:</b>
<b>Title:</b> Existing Workforce Strategy

**PURPOSE**

The purpose of this policy is to describe the use of Workforce Investment Act (WIA) statewide funding to create innovative incumbent worker programs and early intervention for layoff aversion strategies that serve Virginia businesses.

**REFERENCES**

Code of Virginia, Section 2.2-2670  
Public Law 105-220, Workforce Investment Act of 1998 (WIA), Section 134(a)  
20 CFR Part 652 et al., 665, 665.310 and 665.320  
Virginia Workforce Council, Strategic Plan for 2002-2005

**POLICY STATEMENT**

The Virginia Workforce Council's (VWC) vision for the Commonwealth is to have and promote a well-trained, well-educated, highly skilled and qualified workforce that understands and meets the needs of employers and that is actively engaged in lifelong learning. The VWC intends to ensure that workforce development services for the existing workforce are coordinated and that prospective strategies are developed for rapid access to the range of assistance. The VWC recognizes that improving the education and skill levels of the current workforce will not only improve the state's economy and fiscal well being, but will also increase the ability of businesses to effectively compete in the global economy.

Strategies for the existing workforce should be designed to benefit business and industry by assisting in the skill development of existing employees (incumbent workers) and increasing employee productivity, and the growth of the company. Existing worker programs create a number of positive outcomes including: expansion of worker skills into new industry-demanded requirements; new career opportunities; retention of jobs that otherwise may have been eliminated; retention of existing personnel who otherwise may have left an organization; increase in the wages for trained workers; and overall enhancement of the local and regional economic development efforts for the Commonwealth of Virginia.

WIA funds may be expended for incumbent worker training. WIA funds will be made available to Virginia businesses to meet the diverse skills training needs of the incumbent workforce. WIA funds may also be expended for the development of layoff aversion strategies. WIA funds will be made available to Virginia businesses for early intervention to avoid layoff situations

utilizing business retention plans. A funding cap for employers will be applied and driven by the amount of funds available each year.

The VWC promotes diverse approaches in addressing employer needs through the coordination of existing workforce programs that are administered by various state agencies. The WIA Division of the Virginia Employment Commission (VEC) shall provide coordination, as the state grant administrator for the WIA. Employer focused existing workforce programs to be coordinated at the state level include, but are not limited to: incumbent worker programs authorized by the WIA, layoff aversion strategies authorized by the WIA, workforce services provided by the Department of Business Assistance, and the Virginia Works program of the Virginia Community College System. The state may maximize this investment by leveraging monies from other state and federal resources.

### **INCUMBENT WORKER TRAINING (IWT)**

Applications for the IWT Program are open to all Virginia businesses that have been in operation for a minimum of one year prior to the application date and require training for existing employees. With the high demand and limited funding available, applicants are encouraged to form training consortiums with other businesses to address training for skill sets that are shared across industry sectors.

Funding priority will be given to companies with 100 or fewer employees, which meet at least one of the following criteria: businesses located in rural or distressed inner-city areas; businesses located in empowerment and enterprise zones; businesses whose grant proposals represent a significant layoff avoidance strategy; businesses that employ job creation strategies for entry level workers; or businesses whose grant proposals represent a significant upgrade in employee skills, whose grant proposals represent a significant upgrade in employee skills or lead to industry-based certification.

Training services may be provided through Virginia's community colleges, school districts, area vocational-technical centers, state universities, licensed and certified post secondary private institutions and from subject matter experts, consultants, or trainers from the applying business. Employers are encouraged to use the State approved Eligible Training Providers List, Workforce Access Program and Fund Providers List or outside private trainers to identify potential training providers.

Training can be conducted at the business's own facility, at the training provider's facility or at a combination of sites. Businesses must provide a minimum 50/50 matching contribution to the training project. The match may include in-kind services. IWT Program funds are not intended to supplant training normally provided by employers. If applicable, employers must provide previous three-year and current training budgets.

### **EARLY INTERVENTION FOR LAYOFF AVERSION**

Among the activities allowed by the WIA is an assessment of the potential for averting layoff(s) in consultation with state or local economic development agencies.

These activities are locally driven by the needs of the affected businesses and employees and are intended to occur much earlier than traditional rapid response activities.

Assessment of the potential reason for a plant closing or mass layoff is required, including an assessment of the stability of the company. If there is an indication that a business closing or mass layoff might be averted, technical assistance may be provided to interested parties to investigate possible layoff aversion strategies. This may include a pre-feasibility study for a company or group, including the workers, to purchase the plant or company and continue operations.

To qualify for layoff aversion program, companies must develop a comprehensive layoff aversion plan. The following should be considered in developing an aversion/business retention strategy: skills scan of employees; utilization of Labor/Management Committees (where appropriate); incumbent worker training/skills upgrading; customized training/on-the-job training; employee stock option purchase; shared work program; and solicitation of buyer through economic development partners. A company must also consider critical factors that must be in place or other entities that must be involved in order to ensure success of the aversion plan. Funds will be disbursed through individual contracts.

The Department of Business Assistance, through contract with the VEC, will issue application guidelines and procedures for IWT Programs and Early Intervention for Layoff Aversion. Workforce Investment Boards (WIBs) should assist in communications about the programs and identifying eligible employers.

**RECISIONS:**

**APPROVED:**        **Michael A. Daniels, Chair**  
                             Virginia Workforce Council

**Dolores A. Esser, Commissioner**  
Virginia Employment Commission

**DATE:**    March 27, 2003